

**SB0075\_FAV\_MedChi\_Ins. & MD Med. Ass. Prog. - Trea**

Uploaded by: Danna Kauffman

Position: FAV

# MedChi

*The Maryland State Medical Society*

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TO: The Honorable Melony Griffith, Chair  
Members, Senate Finance Committee  
The Honorable Jill P. Carter

FROM: Danna L. Kauffman  
Pamela Metz Kasemeyer  
J. Steven Wise  
Andrew G. Vetter  
Christine K. Krone  
410-244-7000

DATE: February 22, 2023

RE: **SUPPORT** – Senate Bill 75 – *Insurance and Maryland Medical Assistance Program – Treatment of Alopecia Areata – Coverage Requirements*

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The Maryland State Medical Society (MedChi), the largest physician organization in Maryland, **supports** *Senate Bill 75: Insurance and Maryland Medical Assistance Program – Treatment of Alopecia Areata – Coverage Requirements*. This bill requires Medicaid to cover one hair prosthesis for a recipient whose hair loss results from alopecia areata and to cover prescription drugs and medical devices approved by the federal Food and Drug Administration for its treatment. For commercial carriers (which are already required to cover a hair prosthesis as a result of chemo or radiation), this bill adds covering a hair prosthesis resulting from alopecia areata.

Alopecia areata is a chronic disease that occurs when the immune system attacks hair follicles. Alopecia areata causes hair loss, typically on the head and face. Alopecia areata varies from person to person. Those inflicted by the disease are often healthy with no other symptoms. Recovery is unpredictable, with hair regrowing fully in some people but not others. There is no cure, but treatments can help hair grow back.

The General Assembly has recognized the benefit of mandating coverage of a hair prosthesis when hair loss is the result of chemotherapy or radiation resulting from cancer. The emotional toll occurring not only as a result of the cancer but because of the effects of the treatment often leads to depression, sadness, and anxiety in patients. According to the National Alopecia Areata Foundation, the same can be true for those suffering from alopecia areata. Therefore, MedChi believes that the benefits that the General Assembly has already established for coverage of hair prosthesis resulting from cancer treatments holds true for those with alopecia areata. We request a favorable report.

# **MDS Support for SB 75.pdf**

Uploaded by: Russel Kujan

Position: FAV



February 22, 2023

The Honorable Melony Ghee Griffith  
Chair, Senate Finance Committee  
11 Bladen Street  
James Senate Office Building, Room 220  
Annapolis, Maryland 21401

**Re: Support for Senate Bill 75**

Dear Chair Griffith,

On behalf of the nearly 150 physician members of the Maryland Dermatologic Society, we are writing to share our support for Senate Bill 75. This legislation would be a critical step to ensure patients whose hair loss results from alopecia areata have access to prescription medicines and hair prostheses (wigs).

This is a disease that develops when the body attacks its own hair follicles, which can cause hair loss anywhere on the body. Most people develop it during childhood or their teenage years. Children who suffer from alopecia areata have significant psychological distress with anxiety and depression being commonly diagnosed.

Because hair loss caused by alopecia areata can greatly affect a person's quality of life and treatment is beyond the financial reach of most people, requiring the Maryland Medical Assistance Program, certain insurers, nonprofit health service plans, and health maintenance organizations to provide coverage for hair prostheses, prescription drugs and approved medical devices is necessary for the treatment of alopecia areata. Insurance coverage of alopecia areata would give hope to patients, especially those living with widespread hair loss.

We appreciate the opportunity to provide written comments on this important public health issue and urge your support for Senate Bill 75. As physicians, our number one priority is the health and welfare of our patients. The enactment of this

Support for SB 75  
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legislation will improve access to treatments and hair prostheses that are in the best interest of the patient.

For further information, please contact Russel Kujan, executive director, Maryland Dermatologic Society at 410-539-0872.

Sincerely,

A handwritten signature in black ink, appearing to read 'CMW', with a long horizontal flourish extending to the right.

Chikoti Mibenge Wheat, MD, FAAD  
President  
Maryland Dermatologic Society

**DOCS-#229501-v1-SB\_75\_Mandate\_Oppose\_2023.pdf**

Uploaded by: Matthew Celentano

Position: UNF



15 School Street, Suite 200  
Annapolis, Maryland 21401  
410-269-1554

February 22, 2023

The Honorable Melony Griffith  
Chair, Senate Finance Committee  
3 East  
Miller Senate Office Building  
Annapolis, MD 21401

**Senate Bill 75 – Insurance and Maryland Medical Assistance Program – Treatment of Alopecia  
Areata – Coverage Requirements**

Dear Chairman Griffith,

The League of Life and Health Insurers of Maryland, Inc. respectfully **opposes** *Senate Bill 75 – Insurance and Maryland Medical Assistance Program – Treatment of Alopecia Areata – Coverage Requirements* and urges the committee to give the bill an unfavorable report.

Senate Bill 75 requires insurers, non-profit health service plans, and health maintenance organizations (collectively known as carriers) to provide coverage for a hair prosthesis for hair loss resulting from alopecia areata.

But, with Senate Bill 75, and as a result it establishes a new mandated benefit. Under the ACA, each state must pay, for every health plan purchased through the Maryland Health Benefit Exchange, the additional premium associated with any state-mandated benefit beyond the federally mandated essential health benefits. This means, should the Commissioner include the mandate in the State benchmark plan, the State would be required to defray the cost of the benefits to the extent it applies to the individual and small group market ACA plans.

The League opposes any additional mandated benefits to Maryland's law. Mandated benefits add cost to health insurance policies in our state and limit the ability of insurers to design benefits to best meet the needs of enrollees. Given the potential impact to health insurance costs in the State, Maryland law includes a statutory framework for review and evaluation of proposed mandated benefits by the Maryland Health Care Commission under § 15-1501 of the Insurance Article. The law requires the assessment of a proposed mandate for the social, medical and financial impact of the proposed mandate and equips the General Assembly with such information as the extent to which the service is generally utilized by a significant portion of the population; the extent to which the insurance coverage is already generally available; if

coverage is not generally available, the extent to which the lack of coverage results in individuals avoiding necessary health care treatments; if coverage is not generally available, the extent to which the lack of coverage results in unreasonable financial hardship; and the level of public demand for the service. Before adopting this or any other mandated health benefit, we urge the Committee first request an evaluation of the proposed benefit to facilitate an informed decision.

For these reasons, the League urges the committee to give Senate Bill 75 an unfavorable report.

Very truly yours,

A handwritten signature in black ink, appearing to read "Matthew Celentano", with a long horizontal flourish extending to the right.

Matthew Celentano  
Executive Director

cc: Members, Senate Finance Committee

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Uploaded by: State of Maryland (MD)

Position: INFO



## DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

February 22, 2023

The Honorable Melony Griffith  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401-1991

**RE: SB 75 – Insurance and Maryland Medical Assistance Program Treatment of Alopecia Areata Coverage Requirements – Letter of Information**

Dear Chair Griffith and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of information on Senate Bill (SB) 75 - Insurance and Maryland Medical Assistance Program Treatment of Alopecia Areata Coverage Requirements. SB 75 will require the Maryland Medical Assistance Program (Maryland Medicaid) to cover certain treatments for alopecia areata, including FDA-approved prescription drugs and medical devices for the treatment of alopecia areata, as well as hair prostheses.

Approximately 1,600 Maryland Medicaid participants have a diagnosis of alopecia areata and a projected 75 new individuals will receive this diagnosis each year. MDH currently covers the only FDA approved medication, Olumiant, for severe alopecia areata. Per FDA approval, Olumiant is a Janus kinase (JAK) inhibitor which blocks the activity of one or more of a specific family of enzymes, interfering with the pathway that leads to inflammation while simultaneously increasing scalp coverage. To the extent utilization of this medication increases as result of this legislation, there would be an increase in expenditures for the fee-for-service program and Maryland's HealthChoice managed care organizations. These additional costs would be subject to a 62% FMAP in SFY24 and 61% FMAP in successive years.

Under federal guidelines, hair prostheses are considered cosmetic in nature; therefore, the benefit would not be eligible for a federal match.

If you have any questions, please contact Megan Peters, Acting Director of Governmental Affairs, at [megan.peters@maryland.gov](mailto:megan.peters@maryland.gov) or (410) 260-3190.

Sincerely,

Laura Herrera Scott, M.D., M.P.H.  
Secretary